GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:327
ANSWERED ON:26.07.2006
REVIVAL OF AILING HINDUSTAN SHIPYARD CORPORATION LIMITED. .
Boianapalli Shri Vinod Kumar

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether there is any proposal under the consideration of the Government for revival of the ailing Hindustan Shipyard Corporation Ltd.;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU)

(a) Yes, Sir.

(b) & (c) The Board for Reconstruction of Public Sector Enterprises (BRPSE) in its meeting held on 12.1.06 has recommended a revival package for Hindustan Shipyard Limited (HSL) based on financial restructuring and an investment linked business plan envisaging capital expenditure of Rs. 400 crores to be funded through commercial arrangements with key customer(s).

Since the investment linked commercial arrangement is proving difficult to implement, HSL has requested this Department that the revival package should not be contingent on this condition. As an alternative, HSL has submitted a proposal to meet this requirement of Rs. 400 crores through Government support, internal accruals and borrowing from Banks and financial institutions, which is under consideration of this Department.